

**NT Shelter response to the Issues Paper:
THE DEVELOPMENT OF A CENTRAL BOND HOLDING
SCHEME IN THE NORTHERN TERRITORY UNDER THE NT
RESIDENTIAL TENANCIES ACT**

Submission from NT Shelter

25th May 2015

NT Shelter welcomes the opportunity to comment on the issues paper on the *Development of a Central Bond Holding Scheme in the Northern Territory under the Residential Tenancies Act (NT)*.

NT Shelter also congratulates the Department of the Attorney-General and Justice and the NT Government for considering this progressive amendment.

NT Shelter is the peak non-government housing and homelessness organisation working towards a just and fairer housing system throughout the NT, especially as it relates to low income households and others who may be disadvantaged in the housing market.

Australia wide, an increasing proportion of Australian households now see renting as their only option (Seelig, 2009, p.20) and renting is certainly a critical part of the NT housing system.

Of occupied private dwellings in Northern Territory (ABS Quick Stats 2011), 15.7% were owned outright, 30.6% were owned with a mortgage, and 49.1% were rented – an increase from 47.8% in 2006.

As more low income households become reliant on the rental market, NT Shelter believes that our tenancy laws need to offer as much confidence and protection as possible.

We therefore absolutely support of the proposal for the establishment of a Northern Territory Residential Deposit Authority and the subsequent ability for the pooling of money to fund dispute resolution and public awareness campaigns including specific campaigns directed to assist 'at risk' Aboriginal households.

NT Shelter fully supports the comments on this matter as presented by the Darwin Community Legal Service and we acknowledge that we have used information from their submission in developing our own.

KEY ISSUES IN SUPPORT OF OUR POSITION

- NT Shelter is concerned that bonds may not always be held in accordance with the Residential Tenancies Act (RTA) and may in fact be kept by a private landlord who may be difficult to contact, who may not pass the bond to a new owner should the property be sold, or who may retain or misuse the bond at their discretion.
- Bonds paid at the commencement of a tenancy represent a considerable financial sum. When relocating from one rental property to another, any delay in the return of a bond from the previous tenancy impacts significantly on tenants.
- The introduction of a Centralised Bond Authority would prevent many bond related legal issues arising and ensure that the NT system aligns with proven systems operating in other Australian jurisdictions.
- The Bond Authority would create a government managed repository consolidating all bond monies in the NT. Centralisation of this function would promote transparency, efficiency and accountability and generate tenant confidence in the system.
- The centralisation of the fund would also ensure accountability for the interest on bonds and allow for its use to fund dispute resolution and community awareness services for the benefit of tenants Territory wide.

RECOMMENDATION

NT Shelter endorses the proposal at part 7 of the Issues Paper;
That the NT Government legislate to create a Northern Territory Centralised Residential Tenancy Bond Authority which would hold all bond monies for residential properties throughout the Northern Territory.

For any further information please contact

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NT Shelter